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SUPPORTIVE HOUSING INITIATIVE ACT REQUEST FOR APPLICATIONS

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1.0 Introduction

The Department of Mental Health (DMH), the Department of Housing and Community Development (HCD) and the Supportive Housing Program Council (SHPC) are pleased to announce the release of this Request for Applications (RFA) soliciting applications for grants of up to \$2 million each for supportive housing projects (or grants of up to \$3 million, in the case of a local government agency submitting an application for multiple projects within a single jurisdiction). This grant funding has been made available under the Supportive Housing Initiative Act (SHIA) for the State Fiscal Year 2001-2002. The purpose of the SHIA program is to encourage the development of affordable, permanent housing with supportive services that enables low income Californians with disabilities to stabilize their lives and regain a stake in the community.

Grants must serve the target population specified in the SHIA legislation. This target population is defined as low-income individuals and families that include an adult having one or more of the disabilities specified in Section 2.1. Grant applicants must be either local government agencies or nonprofit organizations. Grants may be used to provide both an array of supportive services to clients in housing and the rental subsidies for the housing itself. Capital investments cannot be funded through this program. However, applicants are encouraged to seek capital funding through a range of programs administered by other agencies including, but not limited to, HCD, the California Housing Finance Agency, the Tax Credit Allocation Committee, and the federal Department of Housing and Urban Development (HUD).

DMH has been designated in statute as the lead agency for the SHIA program. As such, all contact regarding this RFA must be made with:

California Department of Mental Health
Planning, Grants and Revenue Enhancement
Attn: Donna Ures, Housing Specialist
1600 9th Street, Room 130
Sacramento, CA 95814
Phone: (916) 653-2634, or Fax: (916) 653-5500
E-mail: dures@dmhhq.state.ca.us

1.1 Program Summary

The SHIA makes funding available for projects that encourage the integration of housing and services by providing supportive housing to the target population as defined in the SHIA legislation. This funding is designed to provide sufficient incentive and leverage for local governments, nonprofit agencies, and the private

sector to enter into partnerships and invest resources that create, expand and strengthen supportive housing opportunities for very low income Californians with disabilities.

Up to \$20 million has been allocated for State Fiscal Year 2001-2002 to fund new supportive housing projects under the SHIA program. As described in further detail below, grants for supportive services will be awarded for up to a three-year period; grants for rental subsidies may be awarded for a 3- to 15-year period. It is the goal of DMH and the SHPC to use available SHIA funding to support projects that have already been through the planning stage and are:

- Ready for implementation, OR
- Ready to undertake development, in the case of projects proposing to create new, permanent, affordable housing units (see Subsection 2.7.11).

1.2 Organization of the RFA

The RFA is divided into sections as follows:

Section 1: Introduction

The purposes and objectives of the grant process.

Section 2: Project Requirements

Specific requirements applicable to all SHIA grants.

Section 3: Other Considerations

Other issues to consider when applying for SHIA funding.

Section 4: Rules of the Application Process

Rules of the application process to be followed by grant applicants.

Section 5: Submission Requirements

The schedule and format requirements for application submission. This includes a checklist of documents to be submitted, the order in which they must be submitted, and any formatting and page limitations.

Section 6: Application Review and Selection

The methodology and criteria that will be used to review and evaluate the applications.

Section 7: Attachments

All attachments referenced in this RFA.

2.0 Project Requirements

Projects must meet the following requirements in order to be considered for a grant award under this RFA. Additional requirements apply to projects seeking funding for rental subsidies and are specified in Section 2.7.

2.1 Eligible Projects

All proposed projects must be consistent with the requirements of the California Supportive Housing Initiative Act (AB 2780, Statutes of 1998, Chapter 310) and SB 1593 (Statutes of 2000, Chapter 667)¹.

Projects must offer permanent **supportive housing** to the target population, as defined in the SHIA. Specifically, **supportive housing means housing with no limit on length of stay that is occupied by the target population and that is linked to onsite or offsite services**. These services must help the tenant to retain the housing, improve his or her health status, and maximize his or her ability to live and (when possible) work in the community.

The **target population** is defined as adults with low incomes having one or more disabilities², including mental illness, HIV or AIDS, substance abuse, or other chronic health conditions, or individuals eligible for services under the Lanterman Developmental Disabilities Services Act and may, among other populations, include families with children, elderly persons, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, or homeless people.

Housing may include apartments, single-room occupancy residences, or single-family homes. Each tenant must have a private room (with the exception of family members who

¹ Available on the Internet at www.leginfo.ca.gov, or by requesting a copy from the DMH at (916) 654-0486. The same text can be found in Section 53250-53311 of the Health and Safety Code.

² A person who: (a) has a disability as defined in Section 223 of the Social Security Act (42 USC 423), or (b) is determined to have a physical, mental or emotional impairment that: (i) is expected to be long-continued and indefinite duration; (ii) substantially impedes his or her ability to live independently; and (iii) is of such a nature that such ability could be improved by more suitable housing conditions; or (c) has a developmental disability as defined in the Lanterman Developmental Disabilities Services Act.

may share a room). Whether the applicant is requesting SHIA funds for rental subsidies, services, or both, the applicant must ensure that, for the duration of the grant period, housing is provided to program participants. Housing may be operated by or in partnership with the applicant, or may be obtained through a tenant-based rental subsidy program administered by or in a structured partnership with the applicant. Each application must involve a minimum of five (5) SHIA-assisted units.

The housing must be served by public transportation and have reasonable access to appropriate supportive services, shopping and medical care.

Prior to receiving grant funds, the grantee must provide DMH/HCD with a certification from the local housing authority or other housing agency confirming that the designated housing meets HUD's Housing Quality Standards, or some similar habitability standard.

Property management services must be provided by an entity with significant and successful experience managing rental housing. Experience providing supportive services cannot be substituted for experience managing rental housing.

Only applications that are complete will be reviewed. A complete application must meet all of the requirements specified in Section 6.1 of this RFA.

2.2 Eligible Project Sponsors and Grant Award Maximums

The following agencies or organizations may submit applications in response to this RFA.

- a. Local California government agencies and California nonprofit organizations may apply for up to \$2 million for a single project. A grant application may include within its total project budget up to \$25,000 for one-time start up expenses, which may be used for, among other things, purchasing equipment or furniture, hiring staff, designing a program evaluation, or hiring a consultant.
- b. Local government agencies may apply as the project lead for up to \$3 million for several projects within a single jurisdiction (i.e. a county or a city). A grant application may include within its total project budget up to \$25,000 for one-time start up expenses, which may be used for, among other things, purchasing equipment or furniture, hiring staff, designing a program evaluation, or hiring a consultant.

NOTE: Section 5.2 contains additional application instructions for applicants requesting funding for rental subsidies, and for local government agencies applying as the project lead for several projects within a single jurisdiction.

2.3 Duration of the Grant

- a. Grant funds awarded under this RFA for the services component of the application shall be for a period of up to three years. Recipients of these grant awards will be required to expend all grant funds and submit to DMH all invoices for services provided no later than three years from the effective date of the contract.
- b. Grant funds awarded under this RFA for rental subsidies shall be for a period of not less than 3 years and not more than 15 years. These funds will be transferred to the California Housing Rehabilitation Fund and will be administered by HCD.

2.4 Eligible Use of Funds

An applicant may request funding for both the supportive services (as defined in Section 53290 of the Health and Safety Code) and/or rental subsidy components of a supportive housing project. Funds requested under the SHIA program may not be used to supplant other funding.

2.5 Matching

Each grantee is required to match its SHIA grant award with fifty (50) cents for each one dollar awarded in the first year, one dollar for each one dollar awarded in the second year, and one dollar and fifty cents for each one dollar in the third, and (in the case of rental subsidies) all subsequent years. As specified in Section 53275(b)(2) of the SHIA legislation, the match must be a contribution to the project that is made in cash or in kind, e.g. as services or resources of comparable value. See Subsection 2.7.10 for information on meeting match requirement for rental subsidies.

All in-kind contributions must be shown to be mathematically equivalent to the matching amounts included in the budget submitted by the applicant. Each matching service or product must be shown to have a dollar equivalent and the sum of those services and/or products, in combination with any cash contributions, must equal the match requirement. Detailed instructions on the method by which applicants must demonstrate that the match requirement has been met are included in Subsection 5.2.2-III of this RFA.

It should be noted that successful applicants (grantees) will be required to notify the State of the failure of any third parties to provide the committed matching funds, whether in cash or in kind, and of the grantee's plan for restoring the lost match. This requirement will be delineated in detail in the contract with DMH. Failure to meet the match requirements at any time during the contract term may lead to contract termination.

2.6 Reports

Each grantee must develop, implement and maintain a system of records and reports that provide detailed and summary information regarding the grant. The grantee must provide DMH, at a minimum, all required information specified in Health and Safety Code § 53311, and all information necessary to enable DMH to complete the evaluations specified in § 53305(b) of that Code, on a schedule to be determined by DMH.

2.7 Rental Subsidy Funds

2.7.1 Introduction

SHIA rental subsidy funds are available to defray operating shortfalls for a minimum of 3 years and up to 15 years for units occupied by eligible households in housing owned or leased by the grantee. These funds will be held by HCD and disbursed to grantees on an annual basis in accordance with a schedule set prior to commencement of the grant period, and based on projected shortfalls during the grant period. Annual subsidies may be reduced if the annual shortfall is less than projected. The grant amount will be limited to the minimum amount necessary for project feasibility, as determined by HCD. Requirements applicable to these funds are specified in the following paragraphs.

2.7.2 Eligible Project Types

Existing affordable housing units, leased units, new construction, and acquisition and rehabilitation projects are eligible for SHIA rental subsidies. As noted above, SHIA rental subsidies must be requested for a minimum of three years.

2.7.3 Income and Rent Restrictions

Assisted unit rents and tenant incomes will be restricted as set forth in approved grant applications. Grantees may elect to set income limits at either 20 percent or 30 percent of State Median Income (SMI), as calculated by HCD for purposes of its Multifamily Housing Program (MHP). Rents shall be set at 30 percent of the applicable income limit. (For units subject to HUD's Supportive Housing Program (SHP) rent limits, SHIA income limits will still apply, but the HUD rent restrictions will take precedence.) Current SHIA income limits and rents (including utilities) are as follows:

Income Limits by Household Size

Persons	1	2	3	4	5
30% SMI	\$12,264	\$14,016	\$15,768	\$17,520	\$18,922
20% SMI	\$9,277	\$9,344	\$10,512	\$12,268	\$13,961

Rent Limits (including Utilities) by Unit Size

Bedrooms	0	1	2	3	4
30% SMI	\$307	\$329	\$394	\$456	\$508
20% SMI	\$232	\$233	\$263	\$328	\$392

Shared living arrangements (including group homes and apartments shared by unrelated individuals) are eligible. For these projects, (1) five separately rented bedrooms will satisfy the five-unit minimum threshold for project eligibility, (2) the zero-bedroom rent limit (shown above) applies to each separately rented bedroom, and (3) each tenant must have a separate bedroom, with the exception of family members who may share a room.

2.7.4 Asset Management Fee

From project cash flow attributable to SHIA-assisted units, grantees may receive an asset management fee of up to \$25 per SHIA-assisted unit per month, up to \$15,000 per project per year. No other fees or payments for general grantee overhead or administrative expenses can be attributed to SHIA-assisted units. SHIA does not limit the use of cash flow from non-SHIA-assisted units.

2.7.5 Reserve Accounts

For development projects, SHIA will allow a reasonable annual Replacement Reserve, typically the amount required by the permanent lender or equity investor; and an annual operating reserve of up to three percent of the projected annual operating and maintenance expenses, if necessary for project feasibility.

2.7.6 Leased Units

For projects where the grantee leases units from a building owner, and subleases these units to individual eligible households, the grantee's lease payments must not exceed normal market rates. Specifically, the first-year lease amount, on a per unit basis, may not exceed the lesser of:

1. Market rent levels, as indicated by comparable properties;
2. Rents charged for similar non-assisted units in the same project; or
3. 120 percent of the applicable FY 2001 Fair Market Rent (FMR), as published by HUD. (FY 2001 FMRs are included in **Attachment 8** to this RFA). The FMRs used to determine the maximum lease rate shall be based on the physical configuration of the units (e.g. the FMR for a five-bedroom group home will be the FMR for one five-bedroom unit, not five times the FMR for a zero-bedroom unit).

If leased units are subject to rent restrictions as the result of participation in another government or private subsidy program, the grantee's lease payment, on a per unit basis, shall not exceed the restricted rent level of the non-SHIA source.

If the grantee pays operating expenses beyond those normally paid by individual tenants, these costs will be considered when applying the lease amount limits. For example, if the grantee pays for property insurance and maintenance, the outside limit on the per-unit lease amount paid by the grantee will be 120 percent of FMR minus estimated maintenance and insurance costs.

The SHIA rental subsidy will be provided only for units at the locations identified in the SHIA application. In addition, leased projects with scattered sites are eligible only if the applicant, or the key project partner responsible for operating the sites, has experience successfully operating similar scattered site projects.

2.7.7 Debt Service

For projects owned by the grantee, debt service attributable to SHIA-assisted units (paid for by SHIA funds or tenant rents) may not exceed \$1,000 per unit per year.

2.7.8 Layering with Other Rental Subsidies

- SHIA rental subsidy funds cannot be used for units subsidized by Section 8, Shelter+Care, or other similar deep rental assistance programs. An exception to this will be made for the post-subsidy contract years in low-income housing tax credit projects where it is essential to ensure feasibility of operations through year 15. In this case, however, SHIA funds cannot be used to pay for debt service.
- SHIA rental subsidy funds may be used for units with HUD's Supportive Housing Program (SHP) operating subsidies only to cover the difference between (1) the SHP subsidy amount plus the tenants' rent payment at 30 percent of their income, and (2) the cost to operate the project. Additional SHIA funds will not be reserved in anticipation of the possible future loss of SHP funding. However, SHIA funds may be used to replace SHP operating subsidy grants for projects that have been denied renewals.

2.7.9 Reporting Requirements

Grantees shall be required to submit annual financial and occupancy reports. If the average annual SHIA rental subsidy disbursement amount exceeds \$50,000, the financial reports must be audited. HCD, at its discretion, may request audited financial statements for any project with an annual disbursement of SHIA funds of less than \$50,000.

2.7.10 Match Requirement

For SHIA rental subsidy projects, tenant-paid rents and other non-SHIA rental subsidies may be used to meet the match requirement for the rental subsidies. For development projects (new construction and acquisition and rehabilitation), the match requirement for rental subsidies may be met with capital financing. Please see Section 2.5 above and Subsection 5.2.2-III below for further descriptions of match requirements.

2.7.11 Time Limitation

Projects applying for 9% Low Income Housing Tax Credits must secure preliminary tax credit reservations in one of the two consecutive funding rounds with application deadlines following the award of SHIA funds, and commence construction no later than December 2003. HCD will establish deadlines for other projects to ensure timely use of SHIA funds.

3.0 Other Considerations

3.1 Statutory Considerations

In accordance with the SHIA legislation, the Review Panel will grant points to applications that demonstrate any of the following:

- a. Supportive housing is provided to underserved target populations for which few alternative resources are available and populations with an average income of not more than 100 percent of the federal poverty guidelines³.
- b. There are collaborative agreements between entities that fund and provide local public and private housing services. These agreements must demonstrate cost avoidance as compared to other housing and service or institutional options available to the specific target population.
- c. The applicant has either of the following:
 - (1) The capacity and readiness to begin operation of the proposed supportive housing project within one year of receiving the grant. To substantiate capacity and readiness, applicants must submit an Affidavit of Readiness (see Section 5.2.2-II.E of this RFA) attesting that certain conditions have been met; or

³ Federal Register Vol. 66, No. 33, February 16, 2001, pp. 10695-10697; size of family unit/federal poverty annual income standard: 1 person/\$8,590, 2/\$11,610, 3/\$14,630, 4/\$17,650, 5/\$20,670, 6/\$23,690, 7/\$26,710, 8/\$29,730.

- (2) For development projects that will result in new, dedicated, permanent supportive housing units, the capacity and readiness to begin operation within two years of receiving the grant. Awards for development projects will be conditional, with funding based on the progress of development in the first year.

3.2 Licensing Considerations

Applicants must not violate laws relating to facility licensure and related zoning requirements. In order to determine whether your proposed project is subject to Community Care Licensing requirements, it is usually necessary to examine all of the following:

- The tenants who reside in the project,
- The project's ownership and building (e.g. scattered site, Single Room Occupancy, etc.)
- The services provided in conjunction with the housing, and
- The relationships among the housing provider(s), service provider(s) and residents.

The SHPC's Licensing Subcommittee has developed guidelines that may be helpful to applicants in determining whether the housing to be included in a proposed project is subject to licensure. These guidelines may be obtained on the website of the Corporation for Supportive Housing (CSH) at www.csh.org.

3.3 Fair Housing Considerations

Applicants must be careful to avoid violation of laws barring housing discrimination. DMH will review tenant selection criteria for potential violations of these laws. It may condition funding on the elimination of restrictions that it believes to be impermissible, or reject an application where it determines that compliance with applicable law is not feasible.

As a general rule, tenant selection criteria that have the effect of discriminating against protected classes, such as those based on race, color, religion, sex, familial status, disability, national origin and sexual orientation, are prohibited. On the other hand, housing providers may establish reasonable selection criteria that are rationally related to the services performed and the facilities provided. Determining whether the tenant selection criteria are reasonable and whether the services and facilities are rationally related depends upon several factors, including the specific needs of the targeted population, the nature and extent of the services and facilities provided, and sources of funding, other than funds from the SHIA program, for such services and facilities. For example, an applicant proposing to serve tenants with a particular disability may not be able to justify excluding persons with other disabilities having similar needs. Other than the ban on discrimination against protected classes, there are often few bright line rules to help applicants avoid illegal discrimination and each application must be analyzed based on the information it contains.

This is a complex and, in many ways, unsettled area of law. Applicants are encouraged to seek professional advice if there is any question as to whether their applications may run afoul of non-discrimination and fair housing. A useful resource is *Between the Lines, A Question and Answer Guide on Legal Issues in Supportive Housing*, recently published by CSH. This document is available online at www.csh.org.

An applicant may seek an opinion from the California Department of Fair Employment and Housing (DFEH) regarding whether the project meets the requirements of fair housing statutes. Please be advised that an application may have substantial discrimination problems even though it targets a population specifically listed in the SHIA legislation.

3.4 SSI Considerations

Applicants should be aware that the manner in which they organize their project may impact the Supplemental Security Income (SSI) eligibility of their clients. Any in-kind food, clothing or shelter (such as rental subsidies) may be counted as income to the individual, depending upon the circumstances of the particular project. For example, if all project funding comes from government sources, the clients are required to meet an income test, and the project provides social services or assistance based on need, the in-kind items may not be counted in the SSI determination. However, if the project involves any private funding, the in-kind items are much more likely to be counted.

Applicants are responsible for determining whether or not their projects will jeopardize their clients' SSI grants. An applicant may apply for a blanket exemption for the proposed project by contacting the local Social Security Office and describing the program in detail. A private nonprofit organization may also become certified by the State Department of Social Services as a provider of Support Maintenance Assistance. Support provided by organizations that are so certified is excluded as income in the SSI determination.

4.0 Rules of the Application Process

This RFA process is being conducted under the authority of the Health and Safety Code § 53270 et seq. Each application must meet all requirements set forth in this RFA.

4.1 Timetable

The timetable anticipated for this application process is shown in **Attachment 1**.

4.2 Grant Application Workshops

DMH will conduct two voluntary Grant Application Workshops, organized for the purpose of answering questions and clarifying requirements. The workshops will be

held on October 18, 2001, in the auditorium located at 744 P Street, Sacramento, from 1 p.m. to 3 p.m., and on October 23, 2001, in the Embassy Room at the Holiday Inn Select located at 3400 Market Street, Riverside, from 10 a.m. to 12 p.m. Prospective applicants will have an opportunity to ask questions of DMH and HCD staff regarding the RFA. Any spontaneous answers provided in response to such inquiries will be unofficial and not binding on DMH, unless subsequently confirmed in writing by the Department in response to a written inquiry (see Section 4.7).

4.3 Letter of Intent Form

Organizations planning to submit an application in response to this RFA must submit the Letter of Intent Form (**Attachment 2**) to Planning, Grants and Revenue Enhancement (PGRE). The form may be hand-carried or transmitted by fax, courier service or mail, but must be RECEIVED by PGRE no later than 4:00 p.m. on Friday, November 2, 2001. Only applications from organizations that have submitted the required Letter of Intent Form in accordance with this subsection will be eligible to apply for and receive a grant award. No reformatted or re-created versions of this form will be accepted.

4.4 Application Due Date

Applications are due at PGRE no later than 4:00 p.m. on Friday, December 21, 2001. **No applications will be accepted after this time and date.**

4.5 Review of Applications

Review of grant applications will commence on December 24, 2001. DMH intends to complete this review on or about February 25, 2002.

4.6 Notice of Grant Awards

DMH expects to announce grant awards on or about March 22, 2002.

4.7 Questions, Clarifications, and Amendments

To assist DMH in answering questions concerning the RFA, applicants should submit questions in writing via email, fax or letter no later than November 13, 2001, to PGRE, Attention: Donna Ures, Housing Specialist, email dures@dmhhq.state.ca.us. DMH will respond to written questions or requests for clarification that are received on or before that date. The written correspondence shall clearly identify the organization submitting the question(s) or request(s), the name of the submitter, and the submitter's telephone number. All responses will be provided by DMH on its

website to all interested parties. Only these posted responses will be official DMH responses.

DMH reserves the right to amend the provisions of this RFA, at its sole discretion. Modifications to the RFA will be posted on the DMH website at www.dmh.ca.gov.

As time permits, HCD will respond to questions referred to it by DMH regarding the rental subsidy funds and application materials.

4.8 Disposition and Ownership of Records

All materials submitted in response to this RFA shall become the property of DMH and, as such, are subject to the Public Records Act (Government Code Section 6250, et seq.).

4.9 Protest Procedures

After awards are announced by DMH, there will be a five-day protest period. Only those organizations that submit an application in accordance with the timeframes specified in this RFA have the right to protest the final grant award decisions of the SHPC Review Panel.

These are the procedures for protest:

- a. The five-day protest period begins on **March 25, 2002**. A letter of protest must be received at the Department of Mental Health no later than 4:00 p.m. **March 29, 2002**. The protester must obtain a dated and signed receipt from an authorized DMH staff member. This receipt may be obtained in person if the protest is hand-delivered, or by return mail or fax if the protest is delivered by mail or fax. DMH staff authorized to sign a protest receipt are: Donna Ures or Minerva Reyes. Protests must be received at the following location:

California Department of Mental Health
Planning, Grants and Revenue Enhancement
1600 9th Street, Room 130
Sacramento, CA 95814

If the protest will be faxed, please call (916) 654-0486 before faxing to ensure that staff are available to receive and verify the time and date of receipt of the document, and return a receipt signed by one of the authorized staff named above. Please fax the protest to (916) 653-5500, to the attention of Minerva Reyes.

- b. Protests shall be limited to the following grounds:
 - i. The agency failed to follow the procedures specified in either subdivision (b) or subdivision (c) of Public Contract Code § 10377.
 - ii. The agency failed to apply correctly the standards for reviewing or evaluating the applications as specified in this Request for Applications.
 - iii. The agency used the evaluating and selection procedure in subdivision (c) of Public Contract Code § 10377, but failed to follow the methods for evaluating and scoring the applications specified in the Request for Applications.
- c. The Hearing Officer, Linda A. Powell, will evaluate each protest for substantial merit.
- d. DMH will render a decision on all protests filed on a timely basis by April 5, 2002. All decisions are final.

4.10 Contract Responsibility and Contract Effective Date

DMH will be responsible for contracting with the grantee for the components of the application to be funded over a three-year period, as specified in Subsection 2.3(a). The effective date of this contract is expected to be on or about May 6, 2002.

HCD will be responsible for contracting with the grantee for the rental subsidy component of the application, to be funded for up to 15 years, as specified in Subsection 2.3(b). The effective date of this contract will be determined by HCD.

5.0 Submission Requirements

5.1 Application Submission Requirements

- a. Each applicant shall submit only one application per project. More than one version of the grant application will not be accepted from any applicant. If an applicant submits more than one version of the grant application, all grant applications from that applicant will be rejected.

NOTE: Once an application is submitted, it may not be withdrawn.

- b. Submit one (1) original and ten (10) copies of the grant application to PGRE, signed by a person authorized to legally bind the applicant. The application must be received by PGRE no later than 4:00 p.m., **December 21, 2001**. Hand-delivered or mailed applications must be submitted to:

California Department of Mental Health
Planning, Grants and Revenue Enhancement
Attention: Donna Ures, Housing Specialist
1600 9th Street, Room 130
Sacramento, CA 95814

Any application received after 4:00 p.m. on **December 21, 2001**, will be rejected by DMH. It is the sole responsibility of the applicant to ensure that PGRE receives applications by the required time and date. No exceptions will be made.

- c. Applicants who hand-deliver their applications to PGRE may request a receipt at that time.
- d. Certain forms in the grant application require signatures. The master set shall contain original signatures. Additional copies shall contain a photocopy of the signatures, or be conformed copies indicating the name of the person signing.

5.2 Application Instructions

5.2.1 Introduction

The grant application must present a complete description of the applicant's proposed supportive housing project. Applicants shall organize the contents of their grant applications to follow the order presented below in Subsection 5.2.2, RFA Response Guidelines. All documents that must be submitted as a part of the grant application are listed and described in Subsection 5.2.2.

5.2.2 RFA Response Guidelines

The grant application submitted in response to this RFA shall be presented in the following order, include the information specified below, and shall adhere to the format and page limitations specified. To ensure that applications can be maintained in the order in which they are submitted, the contents of the entire application packet shall be numbered consecutively, beginning with the RFA Face Sheet. This consecutive numbering scheme shall extend through all appendices, which shall be labeled as shown below, in accordance with the numbering scheme described in

Subsection 5.2.2-IV. All sections and subsections of the SHIA application shall be tabbed.

Table of Contents

The application shall include a Table of Contents clearly indicating the page on which each section and subsection begins. This Table of Contents shall be placed at the front of the application, after the cover page (if any), but prior to the RFA Face Sheet.

I. RFA Face Sheet (1 page)

Section I of the application shall be tabbed and entitled "RFA Face Sheet," and shall include a completed copy of **Attachment 3**, RFA Face Sheet. A response must be provided for each item included on the Face Sheet. Failure to complete any item may result in disqualification of the application.

II. Application Narrative

Maximum points: 140

Section II of the application, to be tabbed and entitled "Application Narrative," shall provide a detailed description of the proposed project(s). This section shall be presented in a series of subsections in accordance with the requirements specified below. Page limits for each subsection are specified in the requirements. The Project Narrative must be presented on 8.5" x 11" paper, *single-spaced*, single-sided, with one-inch margins and a type font no smaller than 12 point, using Arial or Times New Roman.

All applicants, including local government agency applicants acting as the lead agency for more than one project, shall adhere to the page limitations set forth in this section.

- Local government agency applicants acting as the lead agency for more than one project will be permitted to submit additional pages in response to Subsection B, as described below in the instructions for that subsection.

Failure to adhere to these format requirements and page limitations will result in immediate disqualification.

A. Overview and Schedule (3 pages)

Maximum points: 5

Subsection A, to be tabbed and entitled “Overview and Schedule,” must provide an overview of the application as a whole. The overview must briefly describe the project(s) included in the application, discuss the importance of the project(s) to the community, demonstrate that the applicant understands the characteristics and needs of the target population, and explain why the project(s) will be effective in addressing those needs. The overview should also indicate whether the proposed project(s) is/are an expansion of existing project(s) or a new effort. Finally, the overview must clearly and specifically delineate how SHIA funding will be used to support the proposed project(s).

Subsection A must also provide a project calendar/schedule. This schedule should illustrate your timing for development, implementation, and operation of the supportive housing project(s). If appropriate, this subsection should also include a brief narrative explaining why it is reasonable for DMH to expect that the applicant will be capable of adhering to the proposed schedule.

B. Project Description (10 pages for a single project; additional pages for multiple projects—see below)

Maximum points: 105

Subsection B, to be tabbed and entitled “Project Description,” must describe the applicant’s background and experience, each project’s proposed support services and service delivery system, permanent housing to be provided, approach to ensuring quality, and plans for continuing each project beyond the SHIA funding period.

For applications proposing a single project, the page limit for Subsection B, Project Description, is 10 pages.

- For applications from local government agencies acting as the lead agency for multiple projects within a single jurisdiction, the page limit for Subsection B, Project Description, is 10 pages, plus 2 additional pages for each project beyond the first project. For example, if a local jurisdiction is applying for 2 projects in a single application, the page limit for the Project Description is 12 pages (10+2); if the application is for 7 projects, the page limit for the Project Description is 22 pages (10+12).

The Project Description shall be presented in the following order and shall include the information specified below.

1. Applicant and Partner Capability *(Maximum points: 20)*

In this portion of the Project Description, to be entitled "Applicant and Partner Capability," describe the background and experience of the applicant agency and each of its primary project partners, including but not limited to (1) housing developers, (2) property managers, (3) supportive service providers, (4) local agencies, and (5) other collaborative partners. Provide information on the performance record (e.g. role in previous supportive housing projects) and financial status of the agencies providing the services and housing.

Clearly identify and describe the proposed project roles of, and the relationships between, the applicant organization and the project partners. Include number of years of experience for all partners. For the housing developer(s) and property manager(s), also include the number of similar projects and units developed and/or managed. Describe the expertise of the applicant organization and major project partners, including consumer and peer counseling groups involved.

Describe the history of your relationship with the project partners, including collaborative agreements established with the partners, joint planning activities undertaken, and results of those activities as they relate to the operational readiness of the proposed project.

- For a local government agency acting as the lead agency for an application containing more than one project, this section must include all of the information requested above not only for the applicant agency but also for the agencies responsible for operating each of the projects included in the application.

The following appendices must be placed in Section IV of the application, Appendices, in the order shown below. These appendices will assist reviewers in assessing and scoring Applicant Capability. The requirements for each of these appendices are presented below in Section IV.

Appendix B.1-a: Agreements with Project Partners

Appendix B.1-b: Resumes of Key Personnel

Appendix B.1-c: Experience and References

Appendix B.1-d: Financial Stability

Appendix B.1-e: Bankruptcies and Other Legal Issues

2. Target Population(s) and Project Eligibility *(Maximum points: 10)*

In this portion of the Project Description, to be entitled “Target Population(s) and Project Eligibility,” describe the special needs and the income level of the supportive housing project’s target population(s). Describe how prospective tenants will be referred to and selected for your supportive housing program, and your process for screening and evaluating clients for participation in the program. Include a description of the criteria that will be used to determine eligibility for the housing and/or rental subsidy program.

3. Services and Service Delivery System *(Maximum points: 30)*

In this portion of the Project Description, to be entitled “Services and Service Delivery System,” describe each service to be provided and the service delivery system that will be in place. As a part of this description, clarify which proposed services will be SHIA-funded. Indicate whether services will be delivered on-site at the housing site, or at other locations in the community. Describe expected frequency of contact between supportive services staff and tenants of the supportive housing project, staffing levels, and the daily or weekly schedule for making services available to supportive housing tenants.

Describe the process for assessing the supportive services needs of tenants. Describe the procedures for ongoing communication between the housing provider and the supportive services provider to assist tenants in maintaining housing stability.

Describe strategies for engaging tenants in supportive services and in community life. **Please note that a tenant’s participation in services may not be a condition of occupancy in permanent supportive housing.** However, certain separately funded federal housing subsidy programs may impose service participation or other requirements as a condition of maintaining eligibility for the housing subsidy itself. SHIA funds may be granted to such projects for supportive services. The most competitive of these projects will employ engagement strategies that provide opportunities for consumer choice and do not rely primarily on coercion.

Describe the project’s plan for helping tenants achieve self-sufficiency, including employment services and opportunities that will be made available to supportive housing tenants.

The following appendix must be placed in Section IV of the application, Appendices. This appendix will assist reviewers in assessing and scoring Services and Service Delivery System. The requirements for this appendix are presented below in Section IV.

Appendix B.3: Verification of Local Agency Involvement in Services

4. Type of Housing, Location and Affordability *(Maximum points: 30)*

In this portion of the Project Description, to be entitled "Type of Housing, Location and Affordability," describe the housing that will be provided to project participants, as well as the housing location and the proximity to amenities. Indicate who will own and operate the housing, and describe the relationship(s) between the project sponsor, housing owner, property manager, and/or housing subsidy program. If the project will utilize scattered site units, describe how the units will be selected, and how access to and retention of housing will be ensured for project participants.

Describe the living space, furnishings, and amenities (such as laundry and cooking facilities) that will be provided to tenants. Additionally, please describe building accessibility, layout, security and (if applicable) community space and space for supportive services.

Describe community resources or amenities that are in close proximity to the housing (within ½ mile), including grocery, bank, shopping areas, health and mental health facilities, library, community center or recreational facilities. Describe the availability of public transportation.

Describe the manner in which housing will be made affordable to the target population (either using SHIA funds or other funding or resources), including how rent limits will be set and a plan for future affordability. Applicants are encouraged to set rent limits at not more than 30 percent of income, which may be determined either (1) individually, on the basis of actual income for each tenant, or (2) on the basis of projected income at the project's applicable income limit, depending upon the source(s) of funding used to provide rental subsidies or other project financing. If SHIA funds are being requested for rental subsidies, describe how the rental subsidy funds will be used in your project.

The following appendices must be placed in Section IV of the application, Appendices, in the order shown below. These appendices will assist reviewers in assessing and scoring Type of Housing and Location. The requirements for each of these appendices are presented below in Section IV.

Appendix B.4-a: Site Control and Vicinity Map

Appendix B.4-b: Rental Subsidy Application Supplement (completed **Attachment 8**, Application Supplement for Projects Applying for Rent Subsidy Funds, applicable only to those projects requesting SHIA funding for rental subsidies)

5. Quality Assurance (Maximum points: 10)

DMH expects SHIA awardees to develop and implement a plan for assuring the quality of the project's housing and supportive services. The Department strongly encourages applicants to establish agreements with appropriate agencies of local government to assist in this endeavor. For example:

- A local housing authority may inspect units to ensure compliance with Housing Quality Standards,
- A county mental health department may agree to include the project within its local systems of quality assurance, critical incident review, and procedures for addressing client grievances, or
- A local Continuum of Care Plan may have established quality assurance procedures for programs serving homeless people.

In this portion of the Project Description, to be entitled "Quality Assurance," describe your proposed plan for ensuring project quality, including any agreements with local jurisdictions or other government agencies to provide quality monitoring and oversight of the housing and/or services. Identify methods that you intend to use to evaluate the quality of services and housing, and the approach for identifying and correcting problems. Additionally, explain how you will monitor the project and make mid-course corrections, if needed. Describe your project's grievance process, and how tenants are informed of the process.

The following appendix, if applicable, must be placed in Section IV of the application, Appendices. This appendix will assist reviewers in assessing and scoring Quality Assurance. The requirements for this appendix are presented below in Section IV.

Appendix B.5: Verification of Local Agency Involvement in Quality Assurance (if applicable)

6. Future Plans (Maximum points: 5)

In this portion of the Project Description, to be entitled “Future Plans,” describe your plan for continuing to carry out the supportive housing project at the end of the three-year funding period. If you have requested rental subsidies that will extend beyond the three-year period, describe your plan for use of those subsidies to continue the program in the future, and how services to tenants will be maintained during the period rental subsidies are being received.

C. Documentation of Need (1 page)

Maximum points: 10

Subsection C, to be tabbed and entitled “Documentation of Need,” shall describe the need for your supportive housing project(s) in relation to the community being served. Describe how the project(s) will fill a gap in your community.

- For an application submitted by a local government agency acting as lead agency for multiple projects, include a description of the process used to identify and prioritize needs for the projects that are contained in the application.

The following appendix must be placed in Section IV of the application. This appendix, which will include relevant excerpts from such documents as Continuum of Care Plans, Consolidated Plans, United Way Plans and other community-wide plans, will assist reviewers in assessing and scoring Documentation of Need. The requirements for this appendix are presented below in Section IV.

Appendix C: Verification of Need for Proposed Project

D. Outcome Objectives and Evaluation (2 pages)

Maximum points: 15

Subsection D, to be tabbed and entitled “Outcome Objectives and Evaluation,” shall describe the overall purpose of the project(s) described in your application. Provide a description of each outcome objective in your supportive housing project(s). Your organization must agree to participate in a DMH project evaluation process. DMH will provide forms for purposes of reporting certain demographic information and health status data. Most of the information required to evaluate the demonstration projects and make reports to the Legislature, as specified in Health and Safety Code §§ 53305 and 53311, will have to be developed as a part of each project. DMH will provide technical assistance to projects to support implementation of the evaluation process.

This section must contain the following information:

- A statement containing your agreement to participate in the DMH project evaluation process.
- A description of your procedure for evaluation, including specific outcome objectives and measurement tools, provisions for data collection and record keeping.
- A description of your proposed results or outcomes of the supportive housing. This section should define outcomes to be measured and identify methods for measuring those outcomes. At a minimum, your response should specify the elements on which you propose to focus in reporting **cost avoidance data**, define and describe methods for measuring **housing stability**, and describe how you will define and measure **quality of service**, including examining consumer satisfaction, as appropriate. Include a description of the methods you propose to use to collect this information.
- A description identifying the number and level of staff positions or consultants who will be responsible for development of the evaluation methodology and for data collection. Please include the number of hours per month that you anticipate will be devoted to each task.

E. Readiness (1 page)

Maximum points: 5

Subsection E, to be tabbed and entitled "Readiness," shall briefly describe your capacity and readiness to begin operating the supportive housing project(s) as soon as possible, but no later than one year following the announcement of the grant award or, for development projects, no later than two years following that announcement.

The following appendix must be placed in Section IV of the application. The requirements for this appendix are presented below in Section IV.

Appendix E: Affidavit of Readiness

III. Documentation of Project Budget(s) and Match (no page limit)

Maximum points: 60

Budget: 40

Match: 20

Section III of the application shall be tabbed and entitled "Documentation of Project Budget(s) and Match," and shall provide detailed budget and match information, as described in this section. **Attachment 4**, Budget/Match Forms and Instructions, contains the budget forms that must be used to prepare a detailed budget and documentation of match for each project. Included in **Attachment 4** are four separate sub-attachments. They include:

- Attachment 4-1: Supportive Services Budget
- Attachment 4-2: Match Worksheet
- Attachment 4-3: Budget Summary Form for Local Government Applications
- Attachment 4-4: Instructions for Completing SHIA RFA Budget Forms

The following forms or documents shall be included in Section III of your completed SHIA application, in the order indicated in the table on the following page, Budget/Match Forms Submission Table. Detailed instructions for completing each of these forms are provided in **Attachment 4-4**.

- For a local government agency submitting an application that contains more than one project, a complete set of budget forms must be submitted for each project.

Budget/Match Forms Submission Table

Form or document	Applications for SHIA funding for supportive services and/or project start-up costs ONLY	Applications for SHIA funding for rental subsidies ONLY	Applications for SHIA funding for BOTH rental subsidies AND supportive services and/or start-up costs	Applications Submitted by a local government agency as the lead for more than one project
1. Supportive Services Budget Form (Attachment 4-1)	Required	Required ONLY if funding from other sources for supportive services is included as match for SHIA request. Otherwise not required	Required	A separate form for each project is required if SHIA funding is requested for supportive services or if funding from other sources for supportive services is included as match for SHIA request for rental subsidies
2. Supportive Services Budget Narrative	Required	Required ONLY if funding from other sources for supportive services is included as match for SHIA request Otherwise not required	Required	A separate form for each project is required if SHIA funding is requested for supportive services or if funding from other sources for supportive services is included as match for SHIA request for rental subsidies
3. A duplicate copy of the SHIA Operating Pro Forma (Attachment 8) from the Rental Subsidy Application Supplement <i>(refer to instructions for Appendix B.4.b in Section IV of the RFA)</i>	Not applicable	Required	Required	One copy is required for each project for which SHIA funding is requested for rental subsidies
4. SHIA RFA Match Worksheet (Attachment 4-2)	Required	Required	Required	Required (one worksheet for each project)
5. SHIA RFA Budget Summary Form for Local Government Applications (Attachment 4-3)	Not Applicable	Not Applicable	Not Applicable	Required
<p>➤ Please note that, in addition to the Budget Forms and documents required in Section III, there are additional requirements applicable to all projects that propose to use SHIA funding for rental subsidies. These additional requirements are contained in Attachment 8, Application Supplement for Projects Applying for Rent Subsidy Funds (to be submitted as Appendix B.4-b, Rental Subsidy Application Supplement).</p>				

Budget Forms

Applicants shall submit a Supportive Services Budget Form (**Attachment 4-1**) that provides information on the proposed supportive services and project start-up costs for each of the years for which services are proposed, to a maximum of three years. This form is required for any project that includes supportive services or project start-up costs that will be paid with either (1) SHIA funds, or (2) resources that meet SHIA match requirements.

Budget Narrative

Applicants shall submit a Budget Narrative in support of the Supportive Services Budget Form. The Budget Narrative must provide a clear explanation or justification for the information contained in each line item in the budget for each year for which supportive services funding is requested or used as match for SHIA funding. It must summarize the budget information and describe other funds the applicant is receiving, or for which the applicant has applied.

SHIA Operating Pro Forma

The SHIA Operating Pro Forma is one of the forms that must be completed for projects that propose to use SHIA funding to pay for rental subsidies. This form must be included in Appendix B.4-b, Rental Subsidy Application Supplement. To facilitate the consistent review of proposed budgets, a duplicate copy of the SHIA Operating Pro Forma must also be included in Section III of the application.

Match Documentation

Applicants are required to obtain matching contributions of cash or services. These matching contributions must be dedicated to the project and must be used to meet project participants' needs for housing and services. (Please refer to Section 2.5 for more information regarding SHIA match requirements and Subsection 2.7.10 for meeting match for rental subsidies.)

The Supportive Services Budget Form must indicate how the matching resources will be used to provide services or housing as part of the overall project budget. Applicants must indicate the value of the match, the source of match, and whether the match is to be contributed in cash or in-kind. The description of the source of match must indicate the funding source (for example, a local government contract, federal grant, or Medi-Cal reimbursements) and/or the name of the organization, if another agency or program is committing matching resources. If the match is provided on an in-kind basis, the Budget Narrative must clearly indicate the methodology used to determine the value of the matching contribution to the project.

Applicants requesting SHIA funding that will be used solely to provide rent subsidies must complete the Supportive Services Budget Form and Budget Narrative only if proposing to use supportive services resources as a source of match. For applicants requesting SHIA funding for rent subsidies only, if the source(s) of match will include only capital funding or other income used to pay operating costs of the housing, the Supportive Services Budget Form and Budget Narrative are not required. Instead, the SHIA Operating Pro Forma and the additional forms included in Appendix B.4-b, Rental Subsidy Application Supplement, should provide adequate documentation of matching contributions.

In determining the value of the matching contributions, only those services or other resources provided to participants in the supportive housing project may be considered. In general, services or resources provided by other programs may be included as match only if there is a structured arrangement for these services or resources to be delivered **on-site** as part of the supportive housing project. However, off-site services may be included if there is a high degree of coordination that ensures, for residents of the supportive housing project, access to services above and beyond those generally available to other community residents with similar needs.

The most appropriate methodology for determining the value of matching contributions will take into consideration:

- The actual cost of the matching contribution.
- The fair market value of the matching contribution.
- In the case of services or resources provided by another program, the pro rata share of program costs attributable to participation by residents of the supportive housing project.

Match may include cash or in-kind contributions that are committed for supportive services, or for housing costs as specified in the instructions provided with the budget forms.

Applicants requesting SHIA funding for supportive services may use, as a source of match, funding from the following sources that is used to pay for project housing costs:

- Rental subsidies or other government funding (from sources other than SHIA – for example, Shelter Plus Care or Housing Opportunities for People with AIDS (HOPWA)) that is used to pay operating costs for the supportive housing project; and/or
- Funding from other sources for the capital costs for acquisition, construction, or rehabilitation of housing (including costs for construction or renovation to create appropriate facilities for the delivery of supportive services at the supportive housing site) **ONLY** if the housing is legally restricted for the purpose of permanent, affordable, housing for the SHIA target population for a period of no less than 10 years.

Applicants requesting SHIA funding for both rent subsidies and supportive services must ensure that any funding or resources provided to the project is shown as match in **either** the supportive services budget **or** the SHIA Operating Pro Forma and **not both**. If the applicant intends to use a single source of match funds to meet the match requirements of a request for both SHIA supportive services and rental subsidy, the Budget Narrative must clearly indicate both the total match contribution **and** the amount of match that has been allocated to each component of the project budget.

After completing the Supportive Services Budget Form(s) and (if applicable) the SHIA Operating Pro Forma for each project, the applicant must complete the Match Worksheet (**Attachment 4-2**). The purpose of this worksheet is to enable DMH to verify that the total match included in the budget information is greater than or equal to the required match.

- For an application submitted by a local government agency acting as lead agency for multiple projects, upon completion of the Match Worksheet for each project included in the application, the Budget Summary Form for Local Government Applications (**Attachment 4-3**) must also be completed and included in Section III.

IV. Appendices (no page limit)

Section IV of the application shall be tabbed and entitled "Appendices." All required appendices must be placed in this section of the application. The appendices will provide documentation to substantiate information included in the Application Narrative, or additional information as specified, and will assist reviewers in assessing and scoring Sections II and III of the application. As such, they are labeled using a numbering scheme designed to indicate the narrative section of the RFA to which the appendix information relates. For example, Appendix B.3 provides information relevant to the evaluation and scoring of Section II.B.3 of your SHIA application.

All required appendices must be placed in Section IV of the application in the following order, and must be individually tabbed in a manner that clearly indicates the appendix number. If a particular appendix will not be provided, that appendix must still be tabbed and must include, in place of the required document, a single page indicating that the appendix is not applicable or will not be provided with the application.

The requirements for each appendix are presented below.

Appendix B.1-a: Agreements with Project Partners

Include a copy of the proposed or executed contract, Memorandum of Understanding (MOU), Interagency Agreement (IA), etc. with each partner agency, outlining the proposed collaboration with that agency, resources to be dedicated by that agency, and dollar amounts to be provided and/or received by that agency. Priority will

be given to applications that include contracts with agencies that fund and provide local public and private housing services. Funding may be contingent on fully executed contracts or other documentation.

Appendix B.1-b: Resumes of Key Personnel

Submit a resume or vitae for the applicant agency project director. In addition, if the application is submitted by a local government agency acting as the lead agency for more than one project, submit a resume or vitae for the project director of each of the projects included in the application. Finally, submit a resume or vitae for the project director of each collaborating partner that will receive SHIA funding.

Appendix B.1-c: Experience and References

Submit documentation of similar projects conducted by the applicant during the past three years. The title of the project(s), description of the work, organization for which the work was performed, name and telephone number of that organization's project manager, and the inclusive dates of the project must be included. References will be checked to ensure the applicant's prior projects were conducted in a responsible manner.

To demonstrate their relevant experience, applicants may also attach up to three letters of support, awards, or letters of commendation applicable to the proposed project.

Appendix B.1-d: Financial Stability

Submit evidence of financial stability and document sufficient financial resources necessary to perform all services associated with the contract. This requirement may be fulfilled in one of the following ways:

- a. Not applicable for local government agencies.
- b. If the applicant is a private, nonprofit corporation:
 - 1) Financial statements for each of the last two years audited by an independent third-party Certified Public

Accountant. All noted audit exceptions must be explained.

- 2) If audited statements are not available, DMH will accept statements that have been reviewed by a Certified Public Accountant.
- 3) If neither audited nor reviewed financial statements are prepared, DMH will accept financial statements that have been compiled by the applicant's accounting firm.
- 4) If neither audited, reviewed, nor compiled statements are normally prepared by the agency, DMH will accept financial statements prepared by the applicant's internal accounting department. These statements must be accompanied by a statement signed by the applicant's Chief Financial Officer, certifying that the financial statements are current, accurate, and complete. Financial statements must include income statements and balance sheets.

To be fully considered by the Review Panel, financial statements must be completed based on final (not draft) reports, and cannot be supported by unreasonably qualified statements. Also include in this section a statement, signed by either an independent third-party Certified Public Accountant or the applicant's Chief Financial Officer, that the applicant agency operates in accordance with Generally Accepted Accounting Principles (GAAP).

Appendix B.1-e: Bankruptcies and Other Legal Issues

For the applicant or any key project partner, identify any past history of bankruptcy, receivership, failure to fulfill contract, criminal or legal action for the past five years.

Appendix B.3: Verification of Local Agency Involvement in Services

Submit a letter from the relevant local government agency with responsibility for the supportive services included in your proposed

project(s) (e.g. the county mental health department for projects serving people who are mentally ill, the local Regional Center for projects serving people with developmental disabilities, etc.) indicating that the agency supports the project(s). If there is no local agency with specific responsibility for the proposed services, submit a letter of support from the government agency(ies) with which the project(s) will have linkage/partnership/ collaboration in providing the services.

Appendix B.4-a: Site Control and Vicinity Map

Provide evidence of site control for each site included in the application, and provide the length of the term of site control and the address and number of units within each building in which the supportive housing project tenants will reside. For purposes of this item, site control means that the applicant possesses a legally binding agreement that provides it with the right to use the space for a specified period. For projects for which only supportive services funds are requested, the specified period must be **no less than a month-to-month rental basis**. For projects for which rental subsidy funds are requested, the specified period must be **no less than the term of the requested rental subsidies**.

In addition, provide a vicinity map for the project(s), identifying the project site(s) and public transportation, shopping, recreation, and supportive services locations.

Appendix B.4-b: Rental Subsidy Application Supplement (if applicable)

Applicants requesting funding for rental subsidies must complete all required forms and submittals in **Attachment 8**, Application Supplement for Projects Applying for Rent Subsidy Funds. The required forms and submittals must be submitted in accordance with the specific instructions in **Attachment 8**, or the application will be rejected.

Appendix B.5: Verification of Local Agency Involvement in Quality Assurance (if applicable)

Provide documentation of any agreements with a local jurisdiction to provide quality assurance monitoring.

Appendix C: Verification of Need for Proposed Project

Provide evidence demonstrating that your proposed project(s) meets local priorities for supportive housing as identified in a publicly adopted planning document, such as the Consolidated Plan prepared for HUD, the Continuum of Care Plan, or a local plan for housing services for the target population. Evidence may include materials such as a copy of the pertinent pages of the relevant plan or a letter from the appropriate local agency stating that the need for the supportive housing proposed has been identified in such a plan.

Appendix E: Affidavit of Readiness

Complete and submit **Attachment 5**, Affidavit of Readiness. If the affidavit demonstrates the capacity and readiness of the applicant to begin operating the proposed supportive housing project as soon as possible, but no later than one year following the announcement of the grant award or, for development projects, no later than two years following that announcement, "readiness" points will be awarded.

- For an application submitted by a local government agency acting as the lead agency for more than one project, submit a separate Affidavit of Readiness for each project included in the application.

6.0 Application Review and Selection

This section describes the review process that will be used to select the most responsive and responsible applicants to receive grant awards. The review process has been designed to determine the degree to which each grant applicant offers a clear supportive housing plan that demonstrates specific innovative ways to house and serve special needs populations. The review will also assess the demonstrated financial and programmatic capacity of the lead organization to operate the proposed project, and the readiness of the lead agency and its collaborators to begin operations following contract award.

- For an application submitted by a local government agency acting as the lead agency for more than one project, the capacity of the organization managing each individual project included in the application will also be assessed.

A three-step process will be used to review and evaluate the grant applications:

1. Each application will be reviewed to ensure that all minimum requirements for submission are met. Applications that do not meet these minimum requirements will be disqualified. (See Section 6.1 below for additional information.)
2. If the applicant passes the minimum requirements, the application will be reviewed, evaluated, and assigned a numeric score. An application may receive a maximum of 200 points, and must receive a passing score (at least 120 points) to be considered for a grant award. (See Section 6.2 below for additional information.)
3. If an application that has received a passing score includes a request for rental subsidies, the Department of Housing and Community Development will separately score Appendix B.4-b (Rental Subsidy Application Supplement), which responds to the specific housing requirements presented in **Attachment 8** of the RFA, on a pass/fail basis. (See Section 6.3 below for additional information.)

6.1 Minimum Requirements for Submission

The application will be screened to ensure that it meets the minimum requirements for submission, including timeliness, completeness, and compliance with instructions. **The Minimum Submission Requirements Worksheet (Attachment 6) will be used to screen each application.** Late applications will be rejected without further review and evaluation. Timely applications will be reviewed to determine if they comply with submission requirements, and contain the information in the required order and format. The following minimum requirements are applicable. **Any application not meeting these minimum requirements will be rejected without further evaluation and scoring.**

- The applicant must have submitted a Letter of Intent Form (**Attachment 2**) by the **November 2, 2001** deadline.
- The applicant must be a local government agency or a nonprofit corporation.
- The application must propose providing supportive housing as defined in Section 53260(c) of the Health and Safety Code.
- The application must include all items specified in Subsection 5.2.2, RFA Response Guidelines. These items include a Table of Contents, an RFA Face Sheet, an Application Narrative, Documentation of Project Budget(s) and Match, and specified Appendices. The appendices must include agreements with project partners, resumes, experience and reference information, financial stability information (except for local government agencies), bankruptcy information, verification of local agency involvement

in services, site control information, rental subsidy information (if applicable), verification of local agency involvement in quality assurance (if applicable), need for the proposed project(s), and a completed Affidavit of Readiness. Instructions for completing these appendices are included in Subsection 5.2.2, Section IV.

- The request for funds must be for projects of up to three (3) years in duration for the supportive services component, and from 3- to 15- years in duration for rental subsidies. SHIA funding may not exceed \$2 million for a single project, or \$3 million for a combination of several projects submitted by a city or county representing a single jurisdiction.
- One (1) original and ten (10) copies of the RFA application must be received in hard copy form by DMH no later than 4:00 p.m. on **December 21, 2001**. Faxes and e-mails will not be accepted.
- The application (including both the original and copies) shall not be bound or inserted in a binder, but may be secured using a paper clip, binder clip or other similar item.

6.2 Evaluation and Scoring of the Application

All applications that meet the minimum requirements for submission will move to the second phase of the process. The DMH will establish a Review Panel consisting of SHPC agency representatives and client and family member representatives.

The Review Panel will evaluate each application using the Application Evaluation Worksheet (**Attachment 7**). The worksheet was developed based upon the specific requirements described in this RFA. Applications will be scored on each factor specified in Section 5.2.2 of the RFA (and shown on the evaluation worksheet) and will be assigned a total score. This evaluation and scoring process will proceed as follows.

- The Application Narrative will be allocated a maximum of 140 points and the Documentation of Project Budget(s) and Match will be allocated a maximum of 60 points, for a possible total score of 200 points.
- The Review Panel will evaluate each application in relation to the requirements specified in Section 5.2.2 of the RFA, and listed in **Attachment 7**. This evaluation will result in the assigning of a score to each requirement, as indicated in Section 5.2.2 of the RFA. A score of at least 120 points will be considered a passing score. Applications that receive fewer than 120 points on the project narrative will be rejected.

6.3 Evaluation of Rental Subsidy Information

For applicants requesting funds for rental subsidies, the information submitted in response to **Attachment 8** will be evaluated by Review Panel members from HCD. This information will be evaluated on a pass/fail basis. Failure to pass this review may result in disqualification of the entire application.

6.4 Final Scoring and Contract Award

At the recommendation of the SHPC, DMH and HCD will award up to \$7 million of available SHIA funding to development projects requesting rental subsidy funds. The purpose of establishing this policy is to encourage an increase in available housing stock for the target population. In order to accomplish this goal, DMH will establish final scores and award grant funds in the following manner:

- Step 1: Applications that have received a passing score (120 points) will be ranked in order from highest score to lowest score and will be placed on a Rankings List. Only those applications receiving a passing score will be placed on this list.
- Step 2: As described in Section 6.4 above, HCD will review all applications that have received a passing score and have requested rental subsidies. HCD will determine whether the rental subsidy information is acceptable, or the application should be rejected. Rejected applications will be removed from the Rankings List established in Step 1.
- Step 3: Using the Rankings List as developed in Step 1 and modified in Step 2, DMH will select for award, in rank order, the highest scoring development projects that have requested rental subsidies. The total amount of funds awarded in this manner will not exceed \$7 million.
- Step 4: Once \$7 million has been awarded to the highest-ranked development projects requesting rental subsidies, DMH will move back to the top of the Rankings List and will award the remaining available grant funds to the highest scoring applicants that remain on that list.

The selected applicants will be notified of their grant awards in **March 2002**. Final contract grant agreements must be signed by the DMH and the applicant county or nonprofit organization no later than **April 22, 2002**.

Questions about this RFA should be directed to Donna Ures, Housing Specialist, at e-mail dures@dmhhq.state.ca.us or at (916) 653-2634.

7.0 *Attachments*

Attachment 1 – Application Process Timetable

Attachment 2 – Letter of Intent Form

Attachment 3 – RFA Face Sheet

Attachment 4 – Budget/Match Forms and Instructions

 Attachment 4-1 – Supportive Services Budget

 Attachment 4-2 – Match Worksheet

 Attachment 4-3 – Budget Summary Form for Local Government Applications

 Attachment 4-4 – Instructions for Completing SHIA RFA Budget Forms

Attachment 5 – Affidavit of Readiness

Attachment 6 – Minimum Submission Requirements Worksheet

Attachment 7 – Application Evaluation Worksheet

Attachment 8 – Application Supplement for Projects Applying for Rent Subsidy Funds